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C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 003240

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E.O. 12958: DECL: 12/01/2009 TAGS: <u>CA PARM PGOV PREL</u>

SUBJECT: CANADIAN PARLIAMENT'S INITIAL REACTION TO PRESIDENT'S VISIT FOCUSES ON BSE AND MISSILE DEFENSE

Classified By: Deputy Chief of Mission John Dickson, reasons 1.4 (b) (d $^{\text{N}}$

- 11. (C) Summary: Initial public and political reaction to the visit of President Bush has been largely positive; we have received the "bounce" to the bilateral relationship that we were hoping for. Attention has quickly come to focus on the issues of immediate concern to Canadians however, which are missile defense and BSE. PM Martin was handed what one commentator called a &ticking time bomb8 when missile defense was made a priority in the bilateral relationship during the visit and he now must develop a strategy to deliver the goods while minimizing any political fallout. In the December 1 Parliamentary question period the NDP and Bloc wasted no time in pressing the government to make a decision on missile defense and signaled that the Parliament will not be an idle bystander during the debate. The Conservatives, for their part, attacked the lack of movement during the visit on the BSE issue, and Martin's lack of strategic focus on the bilateral relationship in general. BMD remains Martin's open flank, and without inferring any form of linkage between the two issues, rapid movement on BSE could go far to strengthen Martin,s hand on this and other issues in which Canada's help is desirable by showing his ability to deliver for Canada. It would also reinforce the visit as the new beginning in the bilateral relationship that we have been End Summary hoping for.
- 12. (C) Coverage of the President's visit has dominated the press here for three days. It has been generally positive, acknowledging the effort the White House put into making the visit a success and the President and Mrs. Bush's multi-faceted meetings and appearances. The Halifax speech was carefully scrutinized both for its Canada content and its broader international themes, again largely positive. But by the afternoon of December 1 the Parliament and PMO were quickly pulling to the top of their in-boxes the issues that mattered most to Canadians namely BSE and Missile Defense, and more broadly the management of the bilateral relationship in general. A view of the domestic political framework of the debate could be seen in PM Martin,s press conference in Halifax December 1 and the Parliamentary question period later in the day.
- 13. (C) The Conservatives did not even allow their leader and the PM to return from Halifax before they criticized the Liberals for not delivering on the BSE issue during the visit. During question period December 1, Peter McKay accused the PM of being more concerned with photo ops than substance and asked the Agriculture Minister to give a specific date when the border would be open to cattle exports. Belinda Stronach complained that the issue is locked in a bureaucratic process that could take an additional six months and cost another \$2 billion. When the Agriculture Minister suggested the Conservatives not use the issue to score cheap political points, Stronach retorted that Canada was not making any movement on the issues that matter to Canada because U.S.-Canadian relations are simply not a strategic priority for this government. NDP MP Charlie Angus (no kidding) returned to the issue later, saying that most Canadian cows will die of old age before they get mad cow disease and urged the government to work faster to get the issue resolved.
- 14. (C) Bloc Quebecois, Michel Gauthier then asked whether the discussions on missile defense during the visit would be the beginning of cooperation on the weaponization of space. He said it was embarrassing that President Bush was providing more information on BMD to the Canadian people than the government had, and suggested that since President Bush has now openly stated that negotiations are well advanced (sic), the government should admit that there is an agreement in process. (Note: Like the Conservatives, the BQ incorrectly believes that officials negotiations have taken place).
- 15. (C) NDP Leader Layton then struggled through a BMD question after being shouted down three times by the entire house when he broke the cardinal rule of not naming names in the Parliament. He said that Secretary Powell had told him that there would be weapons in space but they would not be aimed at earth. He asked whether the government is now prepared to simply say no to putting a Canadian flag on President Bush,s missile defense program (this comment truly did have a Stranglovian feel to it -- with images of missiles

hurling through space flying the Canadian flag).

16. (C) PM Martin, mindful of the split in his own caucus on the BMD issue and the Liberal's united opposition to the Iraq war, needed to show a warming of relations with the United States while maintaining a healthy independence on these contentious issues. In a press conference following the Halifax speech, Martin placed the missile defense debate in the larger context of continental security, stating clearly that &we will make our decisions on the wider interests of Canadian sovereignty.8 He reiterated in December 2 question period that questions of timing and involvement would be made by Canada for Canada. He also needed to deflect the implication that he is no MacKenzie King, whom it was implied would have been more forward looking in dealing with the evolving threats in the world. &Terrorism is a global threat that,s very, very different from the situation we were facing in the Second World War,8 he told reporters. Above all, Martin felt he could not be seen as blindly following an American lead, but rather as working in full partnership with the U.S. on issues of mutual concern, while delivering on Canada's key interests.

COMMENT

- 17. (C) The President, s Halifax speech will certainly accelerate the BMD debate here. It is an issue that is fraught with minefields for all parties, but especially this minority government. The NDP and Bloc will oppose any BMD proposal and will attempt to score as many political points in the process as they can. It has been suggested that one of these entities could bring the BMD debate to the floor and force a non-binding vote before the government is ready. The Conservatives, who themselves view BMD as a political liability in Ontario and especially Quebec, will probably at this point back off from using the issue to beat up the government -- the President,s meeting with Party Leader Harper was very well received by Harper personally and by the party. They can be expected to go along with a moderate and well-presented proposal on BMD. The Liberals will remain split on the issue and could either allow members to vote their conscience, thus exposing cracks in the caucus, or attempt to impose party discipline, eliciting back-bench complaints to the press. Either way it will be a contentious issue for the Liberal Party, which has a number of hard-core opponents of anything related to missile defense.
- 18. (C) Martin would be helped in shepherding the program by several things. First, he needs to be able to credibly, and technically, show that BMD categorically will not lead to "weaponization" of space. Second, he needs to persuade Canadians that Canada's refusal to take part in the missile defense program would sour relations with the U.S. in the same way as the Iraq war (this point is already being made by columnists and pundits). Third, he would be greatly helped by visible movement on the BSE issue. No Canadian believes there is linkage between BSE and BMD, but all Canadians are sore about the former and most are hesitant about the latter. If the USG could demonstrate good faith in quickly pushing the BSE review through OMB well ahead of the three month limit, it would generate good will that would make it easier for Martin to line up the votes on BMD, and would allow him some flexibility on other difficult requests in the U.S. file.

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